



Outline

- Overview of AirTV and Status
- NPRM Discussion
- Conclusion



Creation of a New Multi-Media Market

• New dedicated global satellite system delivering realtime television, Internet, email and cockpit applications to commercial aircraft



• Four high powered geostationary satellites, each offering a total capacity of 80 Mbps



• S-band downlink – the ideal mobile band for the airline industry



• Experienced industrial team – Alcatel Space (satellites and ground system), Arianespace (launch services), CMC Electronics (aircraft antenna), SITA (return link for data services)



Target market – long-haul wide-bodied aircraft with inseat IFE monitors

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AirTV Chronology

| 1994 | AirTV founded by John Larkin |
|------|--|
| 1996 | S band selected for AirTV application |
| 1997 | Three orbital slots filed thru Canada & Brunei |
| 1998 | Six additional slot filings |
| 2000 | Construction and launch contract signed |
| 2000 | Alcatel & Ariane invest in AirTV |
| 2001 | Private funding round closes, staff hired |
| 2003 | Due diligence phase with investment banks, complete initial funding round & start construction |
| 2006 | Commence operations |



Supported by Strong Airline Industry Partners

- Airbus To be announced in Sept.
 - Endorse AIRTV as preferred supplier for in-flight TV
 - Endorse AIRTV as preferred broadband supplier for AFIS
- Rockwell Collins
 - Joint marketing arrangements with AIRTV
 - Endorses AIRTV's broadband capability
- Tenzing Communications
 - Designated AIRTV as preferred broadband supplier
- Robert Crandall, senior advisor
 - Former President, Chairman and CEO of American Airlines

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Competitive Landscape

- Providers of aeronautical data and video services
 - Inmarsat
 - Primarily low to medium rate data service, insufficient bandwidth for video
 - LiveTV
 - Featured on JetBlue and Frontier in US
 - US-only model not expandable worldwide
 - Connexion by Boeing
 - Using leased Ku-band FSS capacity, presently limited ocean coverage
 - AirTV
 - Purposed-built, broadband global system



Advantages of AIRTV's S-Band Service

- Global coverage (except polar)
 - Full contiguous service, no gaps in coverage
- Best spectrum
 - Primary authorization by ITU in all 3 regions
- High capacity
 - 80 Mbps everywhere: 60+ channels of TV featuring perishable content and 40 Mbps of data
- Purpose built system
 - Simplicity of design requires fewer satellites, transponders, uplinks and ground infrastructure than a Ku-band system
- Lowest cost for same capacity

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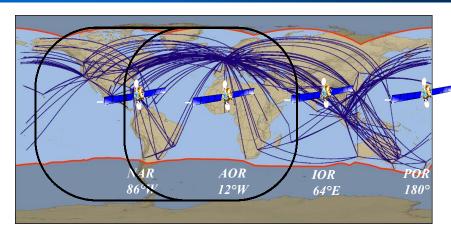


In-orbit delivery – 1st satellite Q4 2005 In-orbit delivery – 2nd satellite Q1 2006 In-orbit delivery – 3rd satellite Q1 2007 In-orbit delivery – 4th satellite Q2 2007 Begin service Q1 2006 Complete global service Q3 2007 Estimated lives of satellites >15 years

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AIRTV Worldwide Coverage

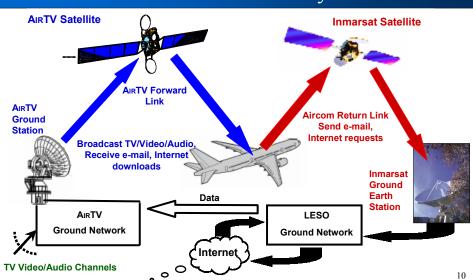


Seamless worldwide service to aircraft

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AIRTV Transmission System





Regulatory Status

- Worldwide primary allocations exist without change: S-band downlink (BSS-2535-2655 MHz) and Ka-band uplink (18.1-18.3 GHz)
- Nine AIRTV orbit location filings by Canada and Brunei prevent competitors
 - All locations ready for Notification
- Coordination can be completed under existing regulations
- AIRTV system conforms to all regulatory constraints
- Use of orbit positions could take place now

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NPRM (ET Docket # 02-305, RM-10331)

- Proposes removal of BSS allocation in US for S-band frequencies (2500-2690 MHz)
 - Cites potential interference with point to multipoint channels and low power consumer response channels.
- AirTV submitted comments and subsequent reply comments in opposition to this proposal
 - AirTV poses no threat of harmful interference to present or future terrestrial services
 - AirTV operates significantly below PFD limits of Table 21.4 no previous opposition by US to AirTV filings
 - Interference studies performed by AirTV, ITU working groups and Industry Canada validate that AirTV and terrestrial can coexist
 - AirTV serves the public interest and proposal would be anticompetitive



NPRM Cont'd

- AirTV requested removal of Footnote NG101
 - BSS S-band presently restricted to educational programming
 - Footnote removal will allow BSS to expand service offerings
 - Precedence already exists with MDS and ITFS

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Conclusions – AirTV will

- Provide the flying public with enhanced services
 - High speed email and Internet
 - Wide variety of language-specific video content
- Enhance safety and efficiency of airlines
 - Improved delivery mechanism for weather map, charts and cockpit communications
- Not impact existing terrestrial or satellite services
 - Operates within PFD limits and proposed thresholds
 - Coordination well into completion
- Promote competition among airlines and aeronautical broadband services providers
- Provide global coverage